

Message Text

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PAGE 01 CANBER 00345 170154Z
ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02
OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 AGRE-00 STR-04
ARA-06 SAJ-01 CEA-01 /106 W
-----170156Z 061426 /63

R 170111Z JAN 77
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 9655
INFO AMEMBASSY KUALA LUMPUR
AMEMBASSY LONDON
AMEMBASSY TOKYO
USLO PEKING
AMCONSUL HONG KONG

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STATE PASS AGRICULTURE FOR MEEKER AND MC CONNELL

E.O. 11652: N/A
TAGS: EAGR, ETRD, AS
SUBJECT: AUSTRALIAN SUGAR SALES TO PRC

1. AUSTRALIAN PRESS HAS GIVEN CONSIDERABLE COVERAGE TO TRADE
REPORTS THAT PRC HAS BOUGHT SUBSTANTIAL QUANTITIES OF RAW SUGAR
ON INTERNATIONAL MARKET, AND SPECULATED THAT PURCHASES FROM
AUSTRALIA WERE IN THE OFFING. GOA OFFICIALS HAVE CONFIRMED
DURING CONVERSATION WITH AGATTACHE OFFICE THAT PRC HAS INDEED
MADE SPOT PURCHASES DURING LATTER PART OF DECEMBER AMOUNTING TO
ABOUT 50,000 MT, OF WHICH 40,000 MT WERE SHIPPED IN THREE
VESSELS DURING FIRST WEEK IN JAN. A FURTHER VESSEL TAKING
REMAINING 10,000 MT IS SCHEDULED TO LEAVE AUSTRALIA AT END OF
JAN. SUGAR PURCHASES WHILE PRICES WERE AT BOTTOM LEVEL (DEC.
29 QUOTATION LOWEST IN 1976) WAS PROBABLY MAIN CONSIDERATION
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BY PRC, ALTHOUGH IT IS BELIEVED NEED TO REPLACE SUPPLIES
NORMALLY PURCHASED FROM CUBA ALSO WAS A FACTOR. GOA
AUTHORITIES INDICATE PRC/CUBAN RELATIONS DETERIORATED SHARPLY
AFTER ANGOLA, AND INFLUENCED THEIR SUGAR PURCHASES FROM THAT
SOURCE IN 1976. PRC PURCHASES OF AUSTRALIAN SUGAR DURING
CALENDAR 1973 TOTALLED 66,000 MT, 1974 DROPPED TO 34,000 MT,
1975 ABOUT 37,000 MT, BUT IN CALENDAR YEAR 1976 ROSE TO

212,000 MT. INDUSTRY HOPEFUL THAT 1977 PURCHASES WILL AGAIN BE FAIRLY HIGH, BUT PRC NORMALLY PLAYS MARKET AND ULTIMATE PURCHASES DIFFICULT TO FORECAST. GOA OFFICIALS STRONGLY DENIED SALE OF 200,000 MT TO PRC REPORTED BY REUTERS FROM LONDON LAST WEEK.

2. AUSTRALIA IS ALSO HAVING PROBLEMS WITH MALAYSIAN LONG-TERM AGREEMENT. AUSTRALIAN DELEGATION VISITED KL DURING LATTER PART OF NOVEMBER TO DISCUSS PRICE FOR 1977, BUT PARTIES FAILED TO AGREE AND NEGOTIATIONS WERE BROKEN OFF. OBVIOUSLY, MALAYSIA PREFERRED TO AWAIT OUTCOME OF NEGOTIATIONS WITH JAPAN ON 1977 PRICING, WHICH TOOK PLACE LAST WEEK. THE MALAYSIA AGREEMENT PROVIDES FOR THE SUPPLY OF 1.65 MILLION MT OVER THE PERIOD 1975-1980 WITH PRICES TO BE NEGOTIATED ANNUALLY AT OR ABOVE A CERTAIN MINIMUM, WHICH IS NOW ABOVE THE WORLD MARKET PRICE.

3. NEGOTIATIONS WITH JAPAN WERE EXPECTED TO BE COMPLETED JAN. 15, AND QUEENSLAND DELEGATION LED BY AG. MINISTER VIC SULLIVAN RETURNED TO AUSTRALIA JAN. 17. HOWEVER, NO AGREEMENT ON NEW PRICE LEVELS WAS ACHIEVED, AND BOTH PARTIES AGREED TO MEET IN TOKYO AGAIN NEXT MONTH FOR FURTHER DISCUSSIONS. AUSTRALIA MADE SOME CONCESSIONS BY DEFERRING SOME SHIPMENTS AND RE-ARRANGING OVERALL SHIPPING PROGRAM, BUT REFUSED TO REDUCE PRICES. REPORTS INDICATE THAT AUSTRALIA MAY BE PREPARED TO REDUCE CONTRACT PRICE FOR THE THIRD YEAR OF THE AGREEMENT STARTING NEXT JULY, BUT A JAPANESE DEMAND FOR A REDUCTION COVERING THE JANUARY/JUNE PERIOD OF THIS YEAR WAS STRONGLY REJECTED. GOA SOURCES INDICATED THE NEGOTIATIONS WERE DIFFICULT, BUT FELT THE OUTCOME WAS REASONABLY SATISFACTORY. LIMITED OFFICIAL USE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, SALES, TRADE DATA
Control Number: n/a
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Sent Date: 17-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER00345
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770016-0529
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770147/aaaaboqh.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3584483
Secure: OPEN
Status: NATIVE
Subject: AUSTRALIAN SUGAR SALES TO PRC
TAGS: EAGR, ETRD, AS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/92d8f2d8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009